Study of Foreign Port Handling Export of Foodgrains

1284. SHRI V. HANUMANTHA RAO: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether the concerned Technical and Port Development wings have studied the ports in foreign countries handling grains like wheat or rice;

(b) if so, the names of such countries visited by Indian officials to study ports in wheat or rice exporting countries;

(c) whether any observations or views have been submitted by such officials; and

(d) if so, the details thereof?

THE MINISTER OF SURFACE TRANSPORT (SHRI T.G. VENKATRAMAN): (a) No, Sir.

(b) to (d) Do not arise.

Interest on Bank Draft for Working Capital By Indian Ship Builders

1285. DR. JAGANNATH MISHRA: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether Government are aware that Indian Ship builders have to pay 23.5% interest on bank draft for working capital whereas in OECD countries only 6 to 7% and in some countries below 5% is charged;

(b) whether it is also a fact that ship building is treated as an export industry by all countries and in countries like U.K., China and Taiwan, there is no upper limit on the amount of subsidy that is provided to them and only criterion is to secure an export order at any cost whereas in India only 20% subsidy is given; and

(c) if so, the reasons therefor?

THE MINISTER OF SURFACE TRANSPORT (SHRI T.G. VENKATRAMAN): (a) According to the information available with this Ministry, Indian shipbuilders pay 16 to 23.5 per cent interest on the working capital, whereas in OECD countries, the interest rate is 6 to 7 per cent.

(b) and (c) Shipbuilding is treated as an export Industry in some of the countries. Many countries world-over have been supporting shipbuilding industry with incentives such as subsidy, tax concessions, etc. The details are not easily available as these are of confidential nature having commercial implications.

In order to revive the shipbuilding industry, a revised pricing policy for construction of ocean-going vessels in Indian Public Sector Shipyards was introduced in September, 1993 for a period of 2 years. The policy *inter-alia*, envisaged availability of shipbuilding subsidy of 30% over and above the basic price (20% payable by the Government and 10% by the shipowner) and availability of interest differential subsidy on loan of 9% upto an extent of 80% of the cost of the ship. Government is considering extension of subsidy scheme and also to include export orders.

Loans for Ship Building

1286. SHRI YERRA NARAYANASWAMY: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether Government have any proposal to formulate liberal ship building and ship purchase loans for ships built in Hindustan Shipyard Ltd. Visakhapatnam;

(b) if so, the present loan offers, interest subsidy and other financial facilities available to ship buyers;

(c) whether the existing subsidy for ships made at Hindustan Shipyard Ltd. is proposed to be enhanced; and

(d) if so, the details thereof?

THE MINISTER OF SURFACE TRANSPORT (SHRI T.G. VENKATRAMAN): (a) to (d) The pricing policy in respect of Ocean-going Vessels issued in 1993, *inter-alia*,

envisaged grant of shipbuilding subsidy (20% payable by the Government and 10% by the ship-owners) and also the loans at concessional rate of 9% to the extent of 80% of the cost of a ship to the Shipping Company placing orders with the Public Sector Shipyards including Hindustan Shipyard Ltd.

The said scheme was in vogue for a period of 2 years.

There is a proposal to extend the subsidy scheme with certain modifications.

Purchasing of Foreign made Ships

1287. SHRI YERRA NARAYANASWAMY: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether Government are encouraging shipping companies to buy foreign made ships;

(b) if so, the reasons therefor;

(c) the impact of such a policy on Indian shipyard; and

(d) the steps proposed to encorage purchase of Indian made ships?

THE MINISTER OF SURFACE TRANSPORT (SHRI T.G. VENKATRAMAN): (a) to (d) No, Sir. However, due to high cost of construction and long delivery period of the Indian Public Sector Shipyards, shipping companies prefer to acquire ships from abroad.

In order to revive Indian Public Sector shipbuilding industry, a subsidy scheme was introduced in September, 1993 for a period of 2 years. The scheme *inter-alia,* envisaged availability of subsidy of 30% over and above the basic price (20% payable by the Government and 10% by the shipowner) and availability of interest differential subsidy on loan of 9% upto an extent to 80% of the cost of the cost of ship. Action has since been initiated to further extend the said policy.

Revival Programme of Hindustan Shipyard Limited

1288. SHRI YERRA NARAYANASWAMY: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether Government have formulated a Rs. 500 crore Restructuring Programme to revive Hindustan Shipyard Limited in Andhra Pradesh;

(b) if so, the details of this revival programme; and

(c) to what extent jobs likely to be saved by this programme?

THE MINISTER OF SURFACE TRANSPORT (SHRI T.G. VENKATRAMAN): (a) to (c) There is a proposal to restructure the capital base of Hindustan Shiypard Ltd., which *inter alia,* consists of treating the outstanding Government loan and interest accrued thereon by way of partly writing off and partly converting them into equity. The restructuring of the capital base will facilitate revival of the company.

Indo-Bangladesh Treaty on Inland Water Transport

1289. SHRI SANJAY DALMIA: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether there is a treaty between India and Bangladesh relating to Inland Water Transport;

(b) if so, the volumes of cargo movement under the treaty between the two countries during the last three years;

(c) whether there are operational and other difficulties in increasing cargo movement along the river rout under the treaty; and

(d) if so, the steps taken by Government to review and, if necessary, revise, the treaty to facilitate and augment transportation of goods between India and Bangladesh?